

Message Text

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PAGE 01 BELGRA 02247 220930 Z

14

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-02 PA-03 USIA-12 PRS-01 RSR-01 /168 W
----- 127881

R 220850 Z MAY 73

FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC 6251
INFO USMISSION OECD PARIS
USMISSION EC BRUSSELS
USMISSION NATO BRUSSELS
USMISSION GENEVA
AMCONSUL ZAGREB

UNCLAS BELGRADE 2247

E. O. 11652: N/ A

TAGS: EFIN YO

SUBJ: TIGHTENED NATIONAL BANK REDISCOUNT FACILITIES AS OF JUNE 1

REF BELGRADE 2163

1. NATIONAL BANK (NB) DECISION PUBLISHED MAY 17 OFFICIAL GAZETTE
AND EFFECTIVE JUNE 1 TIGHTENS NB REDISCOUNT FACILITIES TO COMMERCIAL
BANKS.

2. ACCORDING TO DECISION, NB WILL REDUCE REDISCOUNT FACILITIES
AVAILABLE FOR EXPORT AND AGRICULTURAL CREDITS IN FOLLOWING WAY:

A. EXPORT CREDITS:

(1) UP TO 30- DAYS FROM 100 PERCENT OF AMOUNT OUTSTANDING TO
70 PERCENT;

(2) 30-60 DAYS - FROM 85 PERCENT TO 60 PERCENT;

(3) 60-90 DAYS - FROM 70 PERCENT TO 50 PERCENT;

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(4) 120, 150 AND 180 DAYS - FROM 50, 40, AND 20 PERCENT

TO 25, 20, AND 10 PERCENT RESPECTIVELY;

(5) ONE- YEAR CONSUMER DURABLE AND TWO- YEAR STANDARD

EQUIPMENT - FROM 40 PERCENT TO 30 PERCENT;

(6) FOR PRODUCTION/ PREPARATION OF GOODS FINANCED BY CASH

PAYMENT (WITHIN ONE YEAR) BY INTERNATIONAL FINANCIAL INSTITUTION -
FROM 70 PERCENT TO 50 PERCENT;

(7) FOREGOING APPLY TO EXPORTS IN CURRENCIES " IMPORTANT FOR
INTERNATIONAL LIQUIDITY." FOR TRANSACTIONS IN OTHER CURRENCIES (UP
TO 45 DAYS) - FROM 70 PERCENT TO 50 PERCENT.

B. AGRICULTURE CREDITS:

FOR PRODUCTION AND RESERVES OF WHEAT, SUNFLOWER, SUGARBEETS
AND TOBACCO - HALF OF PREVIOUS REDISCOUNT RATE.

3. REDISCOUNT AVAILABILITY FOR CREDITS INTENDED FOR CATTLE
BREEDING IS UNCHANGED, AS ARE REDISCOUNT FACILITIES FOR CREDITS
EXTENDED FOR SHIP AND CAPITAL EQUIPMENT EXPORTS AND FOR SERVICE
(E. G, CONSTRUCTION) ACTIVITIES ABROAD.

4. NATIONAL BANK OFFICIAL TOLD EMBOFF MAY 18 THAT TIGHTENED NB
REDISCOUNT AVAILABILITY TO COMMERCIAL BANKS WAS DESIGNED TO
OFFSET SHORT- TERM INFLATIONARY IMPACT OF RECENT NB CONVERSION
OF SHORT- TERM CREDITS TO COMMERCIAL BANKS INTO LONG- TERM LOANS
(REFTEL). NO INDICATION GIVEN AS TO HOW LONG TIGHTENED
REDISCOUNT AVAILABILITY WILL REMAIN IN EFFECT.
TOON

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NMAFVVZCZ

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*** Current Classification *** UNCLASSIFIED

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TAGS: EFIN, YO
To: EC BRUSSELS
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OECD PARIS
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